Message Text

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TAGS: ESTC, COCOM, CH, US, IT, EQIP

SUBJECT: STATUS OF IBM AND NUOVO PIGNONE SALE OF COMPRESSOR TECHNOLOGY

REF: PEKING 1613

1. REPRESENTATIVE OF ITALIAN FIRM ENI (PARENT COMPANY OF NUOVO PIGNONE), HAS TOLD US THAT NUOVO PIGNONE IS PROCEEDING WITH ITS CONTRACT TO SUPPLY TECHNOLOGY FOR THE MANUFACTURE OF CENTRIFUGAL COMPRESSORS, BUT THAT THE COMPANY IS QUICKLY APPROACHING THE POINT AT WHICH IT WILL NEED TO KNOW WHO WILL SUPPLY THE REQUIRED COMPUTER. IBM IS THE TRADITIONAL SUPPLIER OF NUOVO PIGNONE'S COMPUTER NEEDS AND IS THE FIRST CHOICE OF THE COMPANY TO SUPPLY THE EQUIPMENT FOR THIS CONTRACT. HOWEVER, IBM AND THE CHINESE NEGOTIATORS HAVE STILL NOT BEEN ABLE TO AGREE ON THE TERMS OF THE SALE, PARTICULARLY THE PRICE (IBM REPRESENTATIVES HAVE BEEN IN PEKING ON SEVERAL OCCASIONS IN RECENT MONTHS, CONFIDENTIAL

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BUT THEY HAVE NOT TOLD US WHAT KIND OF BUSINESS DISCUSSIONS THEY ARE HOLDING).

2. ANOTHER UNANSWERED QUESTION IS WHETHER COCOM APPROVAL FOR THE EXPORT OF THE COMPUTER CAN BE OBTAINED. ENI REPRESENTATIVE SAID HE KNOWS THAT PRC HAS ALREADY TALKED WITH SIEMENS AND MAY ALSO HAVE TALKED WITH HITACHI. CHINESE

TOLD ENI THAT THERE WILL BE FEWER PROBLEMS WITH COCOM IF THE COMPUTER IS OBTAINED FROM EITHER OF THESE COMPANIES. ENI REP SAYS THAT HE IS NEVERTHELESS ATTEMPTING TO CONVINCE PRC TO BUY THE IBM COMPUTER. VANCE

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TAGS: ESTC, EQIP, CH, US, IT, COCOM

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